

# CDBG INDUSTRIAL INFRASTRUCTURE GRANT

MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT

## PURPOSE

Assist local governments in the development of public infrastructure that allows industries to locate new facilities, expand existing facilities or prevent the relocation or closing of a facility.

## AUTHORIZATION

Public Law 93-383, Title I of the Housing & Community Development Act of 1974, as amended; 24 CSR Part 570; and Missouri's "Consolidated Plan" submitted to the U.S. Department of Housing and Urban Development.

## HOW THE PROGRAM WORKS

Grant funds will be made available to the extent that a community lacks for the resources to completely finance the public improvements.

## ELIGIBLE AREAS

The grant must be made in cooperation with a city or county sponsor in a "non-entitlement" area where the project will be located. A non-entitlement area is a city with population less than 50,000 and/or a county with population under 200,000.

## ELIGIBLE APPLICANTS

Due to limited funding, for-profit manufacturing, processing and assembly companies are prioritized. Preferred companies have proposed wages above the average for the area provide health benefits and have high value-added processes. Areas of high economic distress have more discretion on the types of businesses, which are prioritized. Intra-state relocation projects are ineligible, except where the alternative is that the business would move out of the state.

## ELIGIBLE USE OF FUNDS

Grant funds may be used for public streets, water or sewer lines, engineering and other public facilities necessary to support the project. Facilities owned by the company or a private utility are not eligible for funding.

## APPLICATION PROCEDURE

The company must prove that but for the Industrial Infrastructure grant, the project could not occur. A grant would not be eligible if the company's project begins prior to the Department of Economic Development (DED) approval of the grant. An environmental review must be conducted by a city or county sponsor, and may be started at any time, even prior to submission of an application. DED will provide a decision on funding within two to three weeks after the submission of a completed application. DED approves eligible projects on an ongoing basis. There is no deadline for applications to be submitted.

The application, guidelines and other program information is available at [www.missouridevelopment.org/business/economicassistancecenter](http://www.missouridevelopment.org/business/economicassistancecenter)

## APPROVAL METHOD

1. The company cannot make a public announcement of the project prior to DED's contingent approval of an application submitted by a city or county. Also, the company, developer or city/county may not begin any construction related to the project before DED's approval and the completion of the environmental review (approximately 45 days).
2. A sponsor (city/county) inserts a public hearing notice in a local newspaper. At least five (5) days later, the sponsor holds a public hearing. The sponsor must also complete the

environmental review, and have a FONSI/RFF (Finding of No Significant Impact / Request For Funds) notice published in the newspaper.

3. The sponsor (city/county) submits the application documents to DED. If DED approves the grant request, a letter will be sent to the sponsor and company.
4. A Grant Agreement is executed between DED and the city/county sponsor. Grant proceeds are typically disbursed after all other funds. Proceeds would be provided upon the submission of invoices for approved items, or other approved documentation. Such documents must be dated after the date of DED's approval of the loan. Typical turn-around time from the submission of invoices to the receipt of proceeds is 10 days.

## FUNDING LIMITS

The use of this program is based on the local government exhausting their available resources. DED has targeted a 20% match by the community based upon the availability of unencumbered city or county funds. The grants shall be determined in accordance with the following schedule:

Grant Amount	Max. per Job	Max. % of Capital Inv.
Up to \$500,000	\$10,000	35%
Next \$250,000	\$ 5,000	20%
Next \$250,000	\$ 3,000	8%
Next \$500,000	\$ 2,000	2%

(Ex. To receive a \$600,000 Infrastructure grant, total private capital investment must be no less than \$1,928,571 and create 70 new full-time jobs.)

## SPECIAL PROGRAM REQUIREMENTS

- A public entity must own the facilities to be funded.
- More than one business must potentially benefit from the facilities to be funded.
- The local government applicant must provide as much unrestricted resources (cash, in-kind resources) as they have available.
- Industrial parks owned by a for-profit developer are not a priority, except in rare cases. In any case, if a for-profit property owner may realize a benefit from the public improvements, certain restrictions may be imposed.
- At least 51% of the new jobs to be created by the company must be taken by persons

considered "low to moderate income" (LMI). The LMI standard is based on the current annualized total family income. The LMI standard for a three person family is about \$22,000 in rural areas and \$32,000 in suburban areas.

## CONTACT

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## OTHER INFORMATION SOURCES OF DED

- Web site: [www.missouridevelopment.org](http://www.missouridevelopment.org)
- E-mail: [ecodev@ded.state.mo.us](mailto:ecodev@ded.state.mo.us)

## MISSOURI ECONOMIC ASSISTANCE CENTER

provides program summaries on resources that are available through the Department of Economic Development that maybe of assistance to your business or community. Visit the web site at [www.missouridevelopment.org/business/economicassistancecenter](http://www.missouridevelopment.org/business/economicassistancecenter)

**MISSOURI LOCATION ONE** is an internet-based searchable system that shows available buildings and sites across Missouri. This system allows location consultants and company owners to evaluate Missouri communities from across the nation quickly and at no cost. This system can be accessed at [www.missouridevelopment.org](http://www.missouridevelopment.org) and clicking on business.

The **COMMUNITY DEVELOPMENT** group offers over 15 different tax credit and grant programs to specifically meet the needs of not-for-profit organizations, community groups, and local government in areas such as infrastructure improvement, housing, violence prevention, and community facilities. For more information please call (573) 522-6155 or access the information at [www.missouridevelopment.org/communities](http://www.missouridevelopment.org/communities)